

statement provided for in §10.724 of this subpart; and

(2) Is responsible for submitting any supporting documents requested by CBP and for the truthfulness of the information contained in those documents. If CBP requests the submission of supporting documents, CBP will allow for the direct submission by the exporter or producer of business confidential or other sensitive information, including cost and sourcing information.

(b) *Information provided by exporter or producer.* The fact that the importer has made a claim or submitted a supporting statement based on information provided by an exporter or producer will not relieve the importer of the responsibility referred to in the first sentence of paragraph (a) of this section.

(c) *Exemption from penalties.* An importer will not be subject to civil or administrative penalties under 19 U.S.C. 1592 for making an invalid claim for preferential tariff treatment or submitting an incorrect supporting statement, provided that the importer promptly and voluntarily corrects the claim or supporting statement and pays any duty owing pursuant to §§10.746 and 10.747 of this subpart.

[CBP Dec. 15-03, 80 FR 7308, Feb. 10, 2015, as amended by CBP Dec. 16-1, 81 FR 2086, Jan. 15, 2016]

§ 10.726 Supporting statement not required.

(a) *General.* Except as otherwise provided in paragraph (b) of this section, an importer will not be required to submit a supporting statement under §10.724 for:

(1) A non-commercial importation of a good; or

(2) A commercial importation for which the value of the originating goods does not exceed U.S. \$2,500.

(b) *Exception.* If the port director determines that an importation described in paragraph (a) of this section may reasonably be considered to have been carried out or planned for the purpose of evading compliance with the rules and procedures governing claims for preference under the AFTA, the port director will notify the importer that for that importation the importer must

submit to CBP a supporting statement. The importer must submit such a statement within 30 days from the date of the notice. Failure to timely submit the supporting statement will result in denial of the claim for preferential tariff treatment.

§ 10.727 Maintenance of records.

(a) *General.* An importer claiming preferential tariff treatment for a good imported into the United States under §10.723(a) of this subpart must maintain, for five years after the date of importation of the good, records and documents necessary to demonstrate that the good qualifies as an originating good, including records and documents associated with:

(1) The purchase of, cost of, value of, and payment for, the good;

(2) Where appropriate, the purchase of, cost of, value of, and payment for, all materials, including recovered goods and indirect materials, used in the production of the good; and

(3) Where appropriate, the production of the good in the form in which the good was exported.

(b) *Applicability of other recordkeeping requirements.* The records and documents referred to in paragraph (a) of this section are in addition to any other records that the importer is required to prepare, maintain, or make available to CBP under part 163 of this chapter.

(c) *Method of maintenance.* The records and documents referred to in paragraph (a) of this section must be maintained by importers as provided in §163.5 of this chapter.

§ 10.728 Effect of noncompliance; failure to provide documentation regarding third country transportation.

(a) *General.* If the importer fails to comply with any requirement under this subpart, including submission of a complete supporting statement prepared in accordance with §10.724 of this subpart, when requested, the port director may deny preferential treatment to the imported good.

(b) *Failure to provide documentation regarding third country transportation.* Where the requirements for preferential treatment set forth elsewhere